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STATEMENT OF CHAIRMAN JOEL HEFLEY

SUBCOMMITTEE ON MILITARY INSTALLATIONS AND FACILITIES

HEARING ON THE REVITALIZATION OF MILITARY HOUSING

March 13, 1997

The Subcommittee on Military Installations and Facilities meets today to take testimony from senior officials of the Department of Defense and the military departments on the revitalization of military housing.

By now, we have all become familiar with the raw numbers that were developed by the Defense Science Board Task Force on Quality of Life. Approximately two-thirds – or 218,000 – of the homes in the housing inventory of the Department of Defense are classified as inadequate. One-quarter of the homes in the DOD inventory are over 40 years old and two-thirds are over 30 years old. This aging military family housing stock has extremely high maintenance and repair needs.

The situation for unaccompanied personnel is equally dire. Over 600,000 military personnel are assigned to on-base troop housing facilities. The average age of barracks and dormitories is over 40 years and one-fourth of these facilities are considered substandard and many more are in significant need of repair.

Behind each of these cold numbers is a single soldier, sailor, or airman, or a military family who sacrifices much to serve the Nation. We cannot continue to permit the basic living conditions of those who volunteer to protect the freedom of each and every citizen to degrade. As a matter of retention and readiness, this makes military sense; but, it is also a matter of common decency.

I am proud of what the Congress, working with the Department of Defense and the military services, has accomplished over the last two years to alleviate the military housing crisis. The 104th Congress heard the plea from former Secretary of Defense Perry, senior military leader-

ship, and the individual enlisted service member and responded to the military housing crisis by authorizing an additional \$804 million in military construction funding for new troop housing facilities, the construction of new or replacement family housing units, or improvements to existing military homes. That funding increase represents nearly one-fourth of the total effort of the Department of Defense in this area for FY1996 and FY1997. Yet, we know that those dollars alone cannot solve the enormous problem confronting the military services.

This subcommittee also joined with Dr. Perry, on a bipartisan basis, to authorize the Military Housing Privatization Initiative as part of the National Defense Authorization Act for Fiscal Year 1996. Ground has already been broken on one privatization project at Naval Air Station Corpus Christi, Texas. To meet the housing needs of military families, requests for proposals are in the marketplace for locations such as Naval Station Everett, Washington; Lackland Air Force Base, Texas; and, Fort Carson, Colorado. We have also supported the new "1+1" barracks and dormitory standard to provide a bit more space and privacy to the single service member.

Our discussion today will focus upon the implementation of housing privatization by the Department of Defense, including how housing privatization fits into the overall planning of the Department and the military services to resolve the military housing crisis. We will address a number of implementation issues with our witnesses today, but I want to focus on what I perceive to be the most significant issue on the table. That issue concerns the appropriated dollar support that would permit the military services to continue to make improvements in the military housing stock. I view that as critical to our ultimate success in military housing and, frankly, I am very seriously concerned about the Department's policy in this area.

One of the selling points for housing privatization was that it would be an additional "tool in the kit bag". It was intended to be a force multiplier for appropriated funds — not a substitute for them. I want to spend a little time this morning reading back into the record part of the testimony provided to this subcommittee one year ago by then Deputy Assistant Secretary of Defense for Installations, Robert Bayer. At that time, Secretary Bayer stated:

[W]e need to maintain at least the same level of Military Construction funding as we are currently receiving. Our primary goal in establishing the Military Housing Privatization Initiative and in developing our new authorities is to solve a 30 year problem in about 10 years within the resource levels currently planned for housing during that 10 year period....We need our current level of funds in order to successfully implement these projects with the private sector. If our current level of funding is not maintained, we will not speed the improvement of our housing. Rather, we will more likely solve a 30 year problem in 30 years or longer, because we will limit funds available for the private sector to leverage. Key to Service plans to solve their housing shortfalls is their commitment to continue to program resources at about the Fiscal Year 1996 level of \$784 million. The Fiscal Year 1997 budget request totals \$734 million.

In addition, in response to a question put by my friend from Texas, Solomon Ortiz, Mr. Bayer also stated that "we do not want to send a message either to the services or to you, frankly, that if we are getting more value, we need less money. That is not the solution for a long period of time."

I acknowledge that the privatization of military family housing will, if implemented correctly, help with the military housing crisis we face. But, what a difference a year makes. It appears that rather than seeing housing privatization as a supplement to traditional military construction approaches, the Department has begun to view it wholly as a substitute.

Secretary Bayer indicated the need to remain at a relatively constant level of funding. I would have been surprised and delighted if the Administration had funded military family housing at the current spending level; I would have understood a budget request for FY1998 that was consistent with last year's request. That is not what the President sent to the Congress. The FY1998 budget request for military family housing construction of \$675 million is \$129 million – or 16 percent – below last year's request and over \$305 million – or 31 percent – below current spending levels and no funding has been requested for the funds which support housing privatization. The FY1998 budget request is 14 percent below Mr. Bayer's rough target of acceptable effort and since planning for this budget submission began in FY1995, the Department of Defense has taken \$158 million – nearly 20 percent — out of the housing construction program.

I acknowledge that the privatization of military family housing will, if implemented correctly, help with the military housing crisis we face; but defunding the program will not get us to the 10 year solution for which everyone hopes.